

1 discovery, which is what the parties really need to  
2 focus on going into the hearing on the motion to  
3 dismiss. So they're getting the documents for the  
4 jurisdictional discovery --

5 THE COURT: In April.

6 MR. MURRAY: No, now. In fact, the April  
7 cut-off I think is the end of document discovery, not  
8 the beginning of it. We're going to be producing  
9 documents, if not today -- I was just in touch with my  
10 office before I came in here to find out the status of  
11 that. I have five lawyers screening documents all week  
12 trying to get them produced, and we'll certainly be  
13 starting to produce documents next week.

14 So they will not have to wait long to start  
15 getting that information, and they can evaluate that  
16 information, and then see what they need reasonably  
17 after that, and they can sit down and say, well, we  
18 want to serve these 50 interrogatories directed to, you  
19 know, whether or not Fujitsu owns the patents. And  
20 I'll say to them, well, look at these documents, here  
21 are all the assignments, here are all the documents  
22 relating to ownership, you have all that information,  
23 you don't need an interrogatory.

24 Similarly, the proposed interrogatories on the  
25 construction of the claims, we're going through the

1 process in California right now where I'm about to give  
2 them our preliminary infringement contentions. The  
3 preliminary infringement contentions go through all of  
4 the claims that we're asserting and explain exactly how  
5 they infringe, and we give them claim charts --

6 THE COURT: Those relate only to the seven  
7 claims that are at issue here?

8 MR. MURRAY: Right. Well, we're doing that  
9 for the --

10 THE COURT: For the seven claims?

11 MR. MURRAY: Well, for the four. There are  
12 four patents that we have asserted in California.

13 THE COURT: Because there's three that you say  
14 you're not infringing.

15 MR. MURRAY: Right.

16 THE COURT: There are seven in total number.

17 MR. MURRAY: That's correct, Your Honor. So  
18 they'll give us preliminary infringement contentions  
19 for their three patents, we give them for our four, and  
20 when we get to that stage in this case when we answer  
21 and we see what patents are in this case, we would do  
22 the same thing. That's a very efficient way of moving  
23 the ball forward on the infringement issues.

24 THE COURT: But that leaves eight patents,  
25 though, that are made an issue here, that's presumably

1 not being exchanged there, in terms of infrangibility,  
2 claims of infringement.

3 MR. MURRAY: Yes, but those, they're not yet  
4 in California because it's really just isn't ripe yet.  
5 But they have now added the additional Fujitsu patents  
6 in their answer and counterclaims, they've asked for a  
7 declaratory judgment of non-infringement, et cetera,  
8 for those same patents. Not all the same patents are  
9 in both cases.

10 THE COURT: But they want discovery as to  
11 these eight other patents now. At least that's what  
12 they're seeking. At least.

13 MR. MURRAY: Right, and I'm suggesting that  
14 it's premature. It's premature in Guam to demand that  
15 discovery through interrogatories, certainly, or even  
16 through preliminary infringement contentions, because  
17 we have moved to dismiss for lack of jurisdiction. We  
18 don't believe that there is jurisdiction over the  
19 Fujitsu defendants, and we think that issue should be  
20 resolved first.

21 THE COURT: But, you know, assuming that the  
22 motion is denied, where does that leave the parties in  
23 terms of discovery effort that has completely stalled  
24 for months because we've awaited a decision on the  
25 motion?

1 MR. MURRAY: Well, the parties have  
2 stipulated in --

3 THE COURT: Other than what you stipulated to  
4 mutually.

5 MR. MURRAY: Well, yes. I think that the  
6 parties have agreed, Your Honor, and stipulated that we  
7 would first finish the jurisdictional discovery,  
8 because there's a lot to do, and we want to focus on  
9 what's important right now, which is the jurisdictional  
10 discovery. The parties have agreed that the merits  
11 based discovery would happen I think within 30 days of  
12 the hearing on the motions to dismiss, we begin  
13 answering merits based discovery, and at that time we  
14 could proceed with let's say preliminary infringement  
15 contentions, you know, if it's appropriate, you know,  
16 et cetera.

17 THE COURT: All right. So what they've asked  
18 here in terms of what the court has been presented to  
19 date, is that jurisdictionally based or merit based?

20 MR. MURRAY: That seems to be merit -- again,  
21 I haven't studied them, but it seems to be merits based  
22 discovery.

23 THE COURT: So you're saying based on your  
24 agreement with the other side, they're barred from  
25 asking the court to move forward with this request,

1 based on your agreement for advancing certain  
2 discovery?

3 MR. MURRAY: No, Your Honor, I'm not saying  
4 that. I'm saying that I think that, first of all, this  
5 is the wrong procedure for getting the information that  
6 they want; that the more appropriate procedure is  
7 what's happening -- like the procedure that's happening  
8 in the Northern District of California where the  
9 parties will give each other infringement contentions.  
10 It's really the same information. Mr. Shore showed you  
11 those claims. We will have a chart with those claims  
12 and how they infringe, we'll give them that  
13 information.

14 THE COURT: When is that going to take place?

15 MR. MURRAY: Well, the rules trigger the date  
16 for preliminary infringement contentions based on  
17 basically when the assertion is made. I mean, we  
18 haven't -- we have only asserted four patents against  
19 them as of today.

20 THE COURT: So when does that, when does the  
21 exchange take place as to those four patents?

22 MR. MURRAY: Oh. I'm sorry, I don't know off  
23 hand. But it's very soon, it's within I think a week  
24 or so.

25 THE COURT: A week from today?

1 MR. MURRAY: I believe it's -- well, I'm  
2 sorry, I don't know that date off hand because it's --  
3 it's a due date in the Northern District of California  
4 case, but it's very soon, it's --

5 THE COURT: So presumably a week from today  
6 you give them your four claims and they'll give you  
7 their three at the same time.

8 MR. MURRAY: That's right.

9 THE COURT: So at least there's information as  
10 to seven of these 15 claims within a week.

11 MR. MURRAY: Right. And we will be giving  
12 them preliminary infringement contentions on all the  
13 patents that we have asserted. I mean, remember in the  
14 Guam case, we have not asserted those other Fujitsu  
15 patents against them. They've asked for declaratory  
16 judgment that those patents are invalid and not  
17 infringed. But until we actually assert those patents  
18 against them, then we do not have under the Northern  
19 District rules, and I would say that we shouldn't have  
20 an obligation to show infringement evidence.

21 If we decide to assert them and ask for  
22 damages, et cetera, for those patents, then we would of  
23 course agree to provide the same type of infringement  
24 contention information that we're providing very soon  
25 for the four patents that we have asserted. We've only

1 asserted four patents. And I say we, it's actually  
2 Fujitsu Limited, one of the defendants here, Fujitsu  
3 Limited has asserted four patents, and we're about to  
4 give them the preliminary infringement contentions on  
5 those four patents.

6 If we assert additional patents, some of the  
7 additional 11 that they've asked for declaratory  
8 relief, then of course we would provide them that same  
9 level of information at the appropriate time. And the  
10 timing gets triggered off of when we actually make the  
11 assertion, it's within a certain number of days of  
12 making the assertion, and we would give them those  
13 preliminary infringement contentions. But that system,  
14 Your Honor, really works very well, and it's been well  
15 established and developed in the Northern District for  
16 getting the right information to the parties, and doing  
17 it in a way that's not unduly burdensome, and it's  
18 exactly --

19 THE COURT: So that takes care of Counts 39  
20 through 50, but you still have 38 other counts  
21 remaining, at least for that information.

22 MR. MURRAY: Right. But the -- similarly,  
23 their preliminary invalidity contentions that would be  
24 provided under the Northern District of California  
25 rules, where the parties give all of the invalidity

1 evidence that they have --

2 THE COURT: That would take care of another  
3 three counts here, Counts 3, 4 and 5.

4 MR. MURRAY: Right. Well, my point is, Your  
5 Honor, that it's kind of difficult to talk about the  
6 merits of particular interrogatories when we don't have  
7 them, and I think that's why the local rule is so good  
8 on this point. I mean, let's see the interrogatory  
9 that they want to serve, once they serve their 25,  
10 let's see interrogatory No. 26, and then we can talk  
11 about whether it's a reasonable interrogatory or not.  
12 And if they -- if we have some agreement, then we don't  
13 have to disturb the court and we'll just agree to  
14 answer it. If there is some disagreement, then at that  
15 time it would really be ripe. But it's very difficult  
16 in kind of a vacuum to talk about whether a particular  
17 hypothetical interrogatory about a particular count is  
18 reasonable or not, or whether that information really  
19 should be obtained through some other way, through  
20 documents or through deposition. And, you know, that's  
21 one of the reasons that we think that this motion is  
22 just premature and inappropriate.

23 If they followed the local rule procedure, we  
24 think that we can move this case forward and work with  
25 them, and have a meet and confer. I mean, they should



1 have given me these 25 interrogatories before five  
2 minutes before the hearing. Maybe we could have sat  
3 down and talked about them and worked something out.  
4 They didn't even try to do that. And that's been kind  
5 of the pattern of plaintiffs in the case is to file  
6 motions and then sort of, after the fact, maybe try to  
7 make an approach to us and try to resolve something.  
8 And I just think it's an unfortunate way to proceed,  
9 and it places an undue burden on the court, and it  
10 really doesn't move the ball forward.

11 THE COURT: Anything else?

12 MR. MURRAY: No, Your Honor. Thank you.

13 THE COURT: All right, thank you very much,  
14 Mr. Murray.

15 Mr. Shore? A couple of things I want to hear  
16 from your side. There have been arguments made to the  
17 court that perhaps the exchange that presumably is  
18 going to take place within a week's time might take  
19 care of some of the concerns that you have in terms of  
20 the interrogatories or other requests for admissions.  
21 So I just want perhaps your feeling on that.

22 MR. SHORE: I agree with him, Judge, that's a  
23 very efficient way to do that. And we have met and  
24 conferred with them about using the Northern District  
25 Local Rules as far as infringement contentions and

1     invalidity contentions, and we agree with that. But  
2     that, you know, if you listen --

3             THE COURT: Let's assume that you received  
4     these documents, though; would receipt of those  
5     documents in a sense change the manner in which your  
6     interrogatories are to be drafted or -- see, that's my  
7     concern.

8             MR. SHORE: (Overlapping/unintelligible.)

9             THE COURT: Go ahead, I'm sorry.

10            MR. SHORE: They will, Judge. Once we get the  
11     documents, we'll know what our interrogatories are  
12     going to be. We can't give you the interrogatories  
13     now, a sample interrogatory. We came up with a sample  
14     what we thought they would be, but we have to look at  
15     the documents. Generally you have documents, discovery  
16     of interrogatories, and you have depositions, and then  
17     you have requests for admissions to narrow the issues.  
18     Once we get the documents, we'll know what the  
19     interrogatories are going to be. Each step --

20            THE COURT: All right. The interrogatories  
21     you gave me this morning is one of those patent claims  
22     that's at issue in Northern California.

23            MR. SHORE: One of the patents. Those, what  
24     we're just asking for, Judge, is 25 interrogatories  
25     initially for each patent; that's not very many when

1 you think about that. You know, counsel a minute ago  
2 said that we're proposing that we give interrogatories  
3 to construe the claims for every word in the claims.  
4 You know, I would be asking you for 10,000  
5 interrogatories if that's what I was intending to do.  
6 I mean, when we put those independent claims up here --

7 THE COURT: But wouldn't your time be better  
8 put if you get those documents, then look at them, and  
9 then perhaps your interrogatories might change in terms  
10 of what you would want after having received those  
11 documents?

12 MR. SHORE: They will change, Judge. We'll  
13 have a different set of interrogatories for each one of  
14 those patents, but to think that we wouldn't have --

15 THE COURT: So why would I approve something  
16 like this at this point, knowing that very well what  
17 you might be seeking here may change once you get those  
18 documents in a week's time?

19 MR. SHORE: What the interrogatories ask, but  
20 it won't change the number. I mean, each one of those  
21 patents is a complex case in and of itself.

22 THE COURT: But you say 25 here.

23 MR. SHORE: That's just for one patent.  
24 That's just for one patent.

25 THE COURT: Right. So the information -- so

1 you're saying to me that regardless of the information  
2 that you receive, you will still have 25  
3 interrogatories per patent.

4 MR. SHORE: I could probably ask a hundred  
5 after what we receive. What he's talking about, he's  
6 saying that we will propose to do all our claims  
7 construction through interrogatories. We're not, we're  
8 not doing that.

9 THE COURT: But isn't it better attorney time  
10 on your part, though, as opposed to giving them 25  
11 interrogatories today, get the information and then  
12 tailor your request so that it doesn't take into  
13 consideration information you've already received?

14 MR. SHORE: Exactly, Judge, that's why we  
15 thought there was good cause --

16 THE COURT: Isn't that what he's actually  
17 saying, that the request is a little premature at this  
18 time?

19 MR. SHORE: It's not premature, because --  
20 I agree with you, Judge, that once we get this  
21 information, their initial infringement contentions,  
22 we're going to have 25 interrogatories, and we'll be  
23 able to tailor those interrogatories to the issues in  
24 the case because each step in this discovery process  
25 is going to narrow those claims.

1           So, yes, but that is our good cause for not  
2 following Local Rule 33.1. We don't know what those  
3 interrogatories are going to be, but I guarantee you we  
4 will have way more than 25 interrogatories we could ask  
5 for each patent. I mean, --

6           THE COURT: But would it be fair to say that  
7 you know what the 25 interrogatories would be as to  
8 those patents that are not at issue here -- not at  
9 issue there?

10          MR. SHORE: Those, Judge, those -- let me --

11          THE COURT: You didn't have any exchange of  
12 documents regarding those patents.

13          MR. SHORE: Those patents are at issue. They  
14 didn't call --

15          THE COURT: That's what I'm saying. Your  
16 initial request -- assuming I give you 25 per patent,  
17 your request for those patents not at issue there would  
18 be the same because you won't be getting any  
19 information regarding them in the exchange process.

20          MR. SHORE: Well, he was wrong, Judge. When  
21 he said that the Northern District doesn't require him  
22 to provide contentions for the patents that we raised  
23 on declaratory judgment, he's just flat wrong about  
24 that. It does. Those patents are at issue, every  
25 patent, all 18 patents are at issue in both cases.

1 You know --

2 THE COURT: So next week you'll be getting the  
3 same information regarding those other parents?

4 MR. SHORE: We're going to get information.  
5 We should get information on all of the patents. If  
6 they don't think those patents are really at issue,  
7 Judge, they should file a motion to dismiss for lack of  
8 jurisdiction, claiming there's not a, you know, a ripe  
9 claim or controversy regarding those patents. You  
10 know, they're not filing a motion to dismiss for lack  
11 of subject matter jurisdiction. There is a declaratory  
12 judgment jurisdiction over every one of those patents.

13 THE COURT: So you're telling me that, today,  
14 next week you will receive from the defendants initial  
15 infringement claims as to all the patents that you've  
16 raised, including those you've raised in your  
17 counterclaim?

18 MR. SHORE: (Turning to co-counsel.) Well,  
19 what's the stipulation actually say?

20 MR. CHAN: Your Honor, with regard to the  
21 Northern District of California rules, we will receive  
22 the infringement contentions that pertain to the four  
23 Fujitsu patents that are being asserted in this case  
24 and in Northern District of California affirmatively  
25 by Fujitsu.

1           Now, with regard to the remainder of the  
2   Fujitsu patents that Nanya is seeking a declaratory  
3   judgment of non-infringement, et cetera, patent local  
4   rules set out a specific procedure upon which the  
5   patentee provides those infringement contentions. And  
6   I don't have that date at my fingertips, but it is --

7           THE COURT: It's not next week then?

8           MR. CHAN: It's not next week, but it is in  
9   the --

10          THE COURT: It's forthcoming.

11          MR. CHAN: It is forthcoming.

12          THE COURT: Within 40 days, 45 days?

13          MR. CHAN: I'd have to go look at the rules.  
14   But there is a specific date. I know it's less than  
15   60 days. But it's set out in Patent Local Rule 4, I  
16   believe.

17          MR. SHORE: I guess the point that we want to  
18   emphasize, Judge, is all 18 of those patents are at  
19   issue. I mean, if they weren't at issue, then the  
20   other side would be filing a motion to dismiss for lack  
21   of subject matter jurisdiction. In this case, all 18  
22   of those patents are going to be litigated. You know,  
23   whether or not they've made affirmative assertions of  
24   them that they want to sue us and seek damages, you  
25   know, that's one thing, but they have raised a claim or

1 controversy regarding those patents, and those patents  
2 are at issue.

3 But let me, getting back to the difference  
4 it's going to make if we follow the local rules and  
5 they provide infringement contentions, I mean, you  
6 know, counsel said just a minute ago that, you know,  
7 it may narrow it down in each patent where there's only  
8 20 claims that are going to be at issue. They'll give  
9 us their initial claims construction, we'll sit down,  
10 we'll meet and confer about it, and then after we meet  
11 and confer, we may agree on some, you know, 20 may pop  
12 out as being real contentious. That was his example,  
13 20. Well, that's 20 for each patent, you know. So you  
14 can see already that even if we follow the local rules  
15 as far as exchanging, you know, claims construction  
16 contentions, we're still going to run into  
17 controversies left over after that.

18 THE COURT: But that process, though, would  
19 allow me the opportunity to look at the merits of both  
20 sides and make a decision.

21 MR. SHORE: In that sense, Judge, we'd be  
22 doing piecemeal just every time we would end up being  
23 here time after time after time, you know, we would end  
24 up having to meet and confer, meet and confer, because  
25 we don't know what the interrogatories are going to be.



1 But I promise you, there definitely will be at least 25  
2 to 50 questions we could ask on each patent; each one  
3 of those patents is an individual case.

4 THE COURT: Is the time frame the problem that  
5 you foresee, the time frame? Let's assume we ask you  
6 to file these interrogatories tomorrow, all right, what  
7 -- does that present a problem?

8 MR. SHORE: Excuse me, Judge?

9 THE COURT: Let's assume I ask you to, in  
10 compliance with the rules, to file these requested  
11 interrogatories tomorrow.

12 MR. SHORE: That -- and that's the reason why  
13 we didn't follow Local Rule 33.1, which is all matters  
14 within your discretion. We don't know what those  
15 interrogatories are going to be yet, we have to look at  
16 the document --

17 THE COURT: That's why I asked you whether  
18 you've drafted these interrogatories or not.

19 MR. SHORE: We can't draft them now, Judge,  
20 because we don't know what they're going to be. What  
21 I'm saying is it's very reasonable for us just to ask  
22 25 for each of the patents, because standing alone,  
23 each one of the patents is its own case. We're going  
24 to look at the documents and then, like opposing  
25 counsel said, he may say, well, ownership, I could just

1 tell them, well, look at such and such documents and  
2 you'll see what our ownership contentions are. That's  
3 the answer to one of our interrogatories. He says  
4 he'll just call us up and tell us. Well, we'd rather  
5 have it in an interrogatory. That's the kind of thing  
6 we're talking about. You look at the documents first,  
7 the documents determine what your interrogatories are  
8 going to be. The interrogatories narrow the claims.  
9 You go to depositions, you take the depositions, and  
10 you could take targeted, productive depositions, and  
11 then you can narrow the issues even further with  
12 requests for admission. But to say that we would need  
13 at least 25 interrogatories for each patent, 25  
14 interrogatories, you know, possibly for the antitrust  
15 case, that is perfectly reasonable requests considering  
16 the complexity of any patent case.

17 MR. RAZZANO: Judge, if I could just make one  
18 small point. I think we're getting a little bit lost  
19 in the minutiae here. I mean, the bottom line is,  
20 first of all, the California case is completely  
21 different than the Guam case. Okay. So regardless of  
22 what they're going to produce in California --

23 THE COURT: But wouldn't they be the same,  
24 though, the same issues will be raised?

25 MR. RAZZANO: I see what you're saying, but

1 let me come back to that. In California, what we're  
2 going to get is we're going to get some documents and  
3 some claim construction regarding the patents that  
4 they've asserted against us. And you've correctly  
5 pointed out, Judge, that doesn't cover all 18 of the  
6 patents. So you're absolutely right when you said to  
7 Mr. Murray we're only going to get claim construction  
8 on certain of the issues, certain of the claims  
9 outlined in our complaint. So, as to the ones that are  
10 not at issue, we should at least get to serve  
11 interrogatories on the claims not at issue.

12 THE COURT: Well, see, that's where the  
13 process -- that's why I'm asking these questions  
14 because --

15 MR. RAZZANO: And I completely agree. And  
16 outlined in our stipulation in paragraph 5, we are  
17 allowed to serve the merits based discovery, we're  
18 allowed to serve the merits based discovery at any  
19 time. They're not due until 30 days after the hearing.  
20 However, Judge, if we wait, what Mr. Murray wants us to  
21 do is, he wants to wait until there's a ruling on the  
22 motion to dismiss and then start giving us the  
23 information. That's not what the stipulation says. So  
24 we're entitled, entitled to get the information at  
25 least on the claims that are not at issue.

1           So that's the only point I wanted to make.  
2           And I think we're getting lost a little bit in this  
3           California case, this Guam case, and so I think we just  
4           need to refocus on exactly what we're actually going to  
5           get next week.

6           THE COURT:   Okay.

7           MR. RAZZANO:  Thank you, Your Honor.

8           MR. SHORE:  Anyway, Judge, I guess the point  
9           I would really like to make is, yes, interrogatories  
10          will change once we start getting documents and  
11          reviewing the documents.  That's why we couldn't comply  
12          with Rule 33.1, because we don't know exactly what  
13          those interrogatories are going to be.  If we filed  
14          cookie-cutter interrogatories in every case, we  
15          wouldn't be very good lawyers.  Good lawyers file  
16          targeted discovery based on what they already know and  
17          what they learn through their informal review of other  
18          discovery materials and through other discovery.

19          But my point I just want to emphasize is  
20          18 different patents, they're at issue, 18 different  
21          patents; it's 18 different controversies, 18 different  
22          cases.  And I guarantee you we'll need 25  
23          interrogatories, at least 25 interrogatories for each  
24          one of those 18, regardless of whether we follow the  
25          Northern District rules, you know, and use that to kind

1 of narrow the issues further. I mean, every means to  
2 narrow the issues in this case we need to take  
3 advantage of, because as you can see from what I  
4 presented to you earlier, the issues are huge. I mean,  
5 there are dozens of issues with each patent, there  
6 could be dozens of issues with each claim in each  
7 patent, there are dozens of issues to ferret out in the  
8 antitrust case. I mean, the number of issues is  
9 immense. And so the 25 interrogatories per patent is  
10 perfectly reasonable.

11 I'm not trying to do all our claims  
12 construction on claims, you know, invalidity and  
13 infringement contentions through interrogatories, I'm  
14 not trying to do that. If I was trying to do that, I'd  
15 be asking you for 10,000 interrogatories. So, you  
16 know, Judge, I think what we're asking for when you  
17 look at the big picture here is extremely reasonable  
18 and necessary, necessary to get to the issues in this  
19 case. Thank you.

20 THE COURT: But let's assume I give you the  
21 relief that you're asking, when do you anticipate  
22 filing your interrogatories or your requests?

23 MR. SHORE: 30 days after the ruling on the  
24 motion to dismiss they're supposed to deliver to us,  
25 they're supposed to start producing documents related

1 to the --

2 MR. CHAN: Your Honor, it would be soon after,  
3 seasonably after we receive the documents set out in  
4 the stipulation.

5 MR. SHORE: Which is 30 days after the ruling  
6 on the motion to dismiss.

7 MR. CHAN: In terms of the merits discovery  
8 documents, that's when that would be due.

9 MR. SHORE: Right.

10 MR. CHAN: But there are disclosures that  
11 would be due beforehand --

12 THE COURT: But my question was --

13 MR. CHAN: -- responsive to our requests for  
14 production. Those would be -- those are due by April  
15 2nd, and then by April 16 for Fujitsu Limited. And  
16 seasonably after the April 2nd and that April 16th  
17 dates, we would be in a better position --

18 MR. SHORE: That's the jurisdictional  
19 discovery. Then there's the merits discovery later on.  
20 I mean, each one of those are different. Once we get  
21 the documents on the jurisdictional discovery in April,  
22 we'll have interrogatories based upon what we receive  
23 in those documents. Once we get the documents on the  
24 merits discovery 30 days after the hearing on the  
25 motion to dismiss, then we'll have the interrogatories,

1 start issuing interrogatories on the merits discovery  
2 on each one of those patents. That's the way, you  
3 know, efficient discovery is done. You look at the  
4 documents that you get, you look at what you have, and  
5 then you tailor your interrogatory response to the  
6 documents you get. So it wouldn't be tomorrow that we  
7 would file these interrogatories, because like I said,  
8 we don't know what these interrogatories are going to  
9 say until we get a chance to look at these documents.

10 THE COURT: All right. So the earliest would  
11 be sometime in April then?

12 MR. SHORE: April for the jurisdictional  
13 discovery interrogatories, and then it would be, once  
14 we had a chance do review the documents that we receive  
15 30 days after the hearing, it will probably be -- the  
16 documents will probably be in the summer, June, July on  
17 the merits discovery, after we get a chance to receive  
18 and review the documents.

19 And we haven't even touched on the motion to  
20 compel, Judge. I mean, if you look at the objections  
21 that they have in their -- the objections that they  
22 filed to the original request for production, you know,  
23 we're going to meet and confer on that and try to work  
24 that over, work that out, that motion isn't really ripe  
25 at this time, I don't think, since they've agreed to

1 produce documents. But there's a lot of objections  
2 that were made that shouldn't have been made.

3 THE COURT: So basically -- let me see if  
4 I understand this. The motion today is in a sense  
5 authorization to file interrogatories in excess of  
6 25 in the future?

7 MR. SHORE: For each one.

8 THE COURT: On or about -- on or after April  
9 as to each patent claim before the court, and the  
10 antitrust claims.

11 MR. SHORE: It would be 25 interrogatories  
12 for each patent. That's what we're asking for  
13 initially is 25 interrogatories for each patent.

14 THE COURT: Well, and also the -- also the  
15 motion also dealt with the antitrust claims.

16 MR. SHORE: And 25 interrogatories for the  
17 antitrust claims, yes, Your Honor. So, yes, Your  
18 Honor, that's correct. Initial interrogatories I think  
19 is 475, initial interrogatories, which would be 19  
20 times 25. That's one set of 25 for each patent, and  
21 one set for the antitrust, so I think that's 475. And  
22 it's 18 -- it's 19 different cases, Judge, it's 19  
23 different controversies; you know, they just happen to  
24 be joined in one lawsuit.

25 THE COURT: All right, anything else? I'm



1     sorry.

2             MR. SHORE: No, Your Honor.

3             THE COURT: All right, Mr. Benjamin, I think  
4     you had your hand up.

5             MR. BENJAMIN: Yes. Your Honor, just to  
6     clarify how scheduling works here, under the  
7     stipulation that was filed by the parties on February  
8     20th. There is -- the only discovery that they've  
9     served regarding jurisdiction has all been document  
10    requests. Those responses are due by April, based on  
11    their own request, their opposition is then due on May  
12    15. So the intent in my discussions with Mr. Razzano,  
13    as I understood it, was that they were going to get  
14    through their jurisdictional document requests. There  
15    didn't appear to be any other discovery going on.

16            The only issue that we understood to exist  
17    regarding interrogatories is regarding the merits. If  
18    they want to use their 25 existing interrogatories in  
19    jurisdiction or some portion of it, that's fine. But  
20    the timing is such, Your Honor, they'll be getting  
21    documents by April 16, 2007 on the jurisdiction issue,  
22    their opposition is due on May 15, so it doesn't make  
23    sense that they'd really be serving jurisdictional  
24    interrogatories on, you know, April 16 because they  
25    would get responses the same day their opposition was

1 due. There wasn't that kind of --

2 THE COURT: So you're saying whatever  
3 interrogatories they file may be subsequent, may be  
4 much more time after that.

5 MR. BENJAMIN: Exactly, Your Honor, because  
6 what paragraph 5 of the stipulation states is that all  
7 of the responses on merits discovery will be 30 days  
8 after the hearing on defendants' pending motions to  
9 dismiss or transfer. So if we -- if, assuming that the  
10 court has not granted the motion to dismiss, assuming  
11 we're responding to the pending requests that they've  
12 served for documents on the merits, that would be 30  
13 days after the, I believe it's June 22nd hearing, so  
14 about July 22nd we would produce documents, they would  
15 then look at those documents, and then really have the  
16 chance to formulate whether or not they think this  
17 extreme number of interrogatories is even necessary.  
18 And I think, Your Honor, frankly, any motion at that  
19 point would be a lot more ripe, because then they  
20 could actually be providing us and the court with  
21 specifically what interrogatories are actually  
22 necessary in this case.

23 The related point on that, Your Honor, being  
24 that we still haven't seen any authority from them,  
25 even though we've talked about, well, this is a very

1 complex patent case, or there are lots out there, yet  
2 they're not citing a single case for the fact that this  
3 many interrogatories has been permitted by any court.  
4 I'm sure, Your Honor, there are dozens of cases each  
5 year with 18 patents in them, but yet not one of them  
6 is being cited as authority for the idea that this is a  
7 reasonable way to proceed in this case. And I would  
8 think that there'd be at least one example of that  
9 occurring, if that was a normal procedure in a patent  
10 case.

11 We do think, Your Honor, that the Northern  
12 District procedures would be a lot more efficient;  
13 they seem agreeable to using the Northern District  
14 procedures, and so perhaps that might be the better  
15 motion to make, is to adopt I believe it's Rule 4 of  
16 the Northern District. Thank you, Your Honor.

17 THE COURT: Final word?

18 MR. RAZZANO: Judge, just one point. I mean,  
19 that's exactly right, what Mr. Benjamin said. So if  
20 I serve 25 interrogatories tomorrow and you don't rule  
21 that I can have any additional interrogatories, the  
22 next thing they're going to say is, hey, you've used up  
23 your 25 interrogatories on jurisdiction, so you don't  
24 get any more interrogatories for the entire case.  
25 That's exactly why this motion is ripe, it's exactly

1 why we need to get a ruling from the court saying  
2 there's going to be additional interrogatories in the  
3 case. So I'll be standing here on May 14 on a motion  
4 for continuance, telling you how I'm supposed to answer  
5 these questions, I have to reserve my 25  
6 interrogatories for the other 19 claims. Thank you.

7 MR. MURRAY: Your Honor, just to respond to  
8 that point specifically. We certainly wouldn't take  
9 the position that we wouldn't consider additional  
10 interrogatories. All we're asking them to do is to  
11 follow the local rules, to set forth the  
12 interrogatories, additional interrogatories that they  
13 would like to serve after their 25, and if they're  
14 reasonable, then we would agree to them. If they're  
15 not reasonable, then we would try to negotiate perhaps  
16 some middle ground with them. And if the parties  
17 ultimately can't come to some agreement, then  
18 reluctantly we would have to come to court to ask  
19 Your Honor to look at these interrogatories.

20 But what they're asking you to do -- and  
21 Mr. Shore said several times, I don't know what these  
22 interrogatories are going to look like -- what they're  
23 asking you to do is to approve in advance the  
24 interrogatories that they will write several months  
25 from now, without having seen them, without knowing

1 whether they would be reasonable interrogatories or  
2 unreasonable interrogatories. And that's exactly what  
3 the local rule is designed to prevent.

4 The interrogatories that they want to serve  
5 should be set forth, the parties should discuss them,  
6 and if a motion is necessary at that time, Your Honor  
7 should have the benefit of being able to see the  
8 interrogatory and make an informed decision about  
9 whether or not it's reasonable, not, just as we said,  
10 giving them a blank check to serve the interrogatories,  
11 whether they're reasonable or unreasonable.

12 THE COURT: All right. So the objection is  
13 not so much in numbers, but perhaps the reasonableness  
14 of the purported request.

15 MR. MURRAY: Well, certainly 900 seems  
16 unreasonable just automatically, I mean --

17 THE COURT: Well, you see, that's a position  
18 that I don't think I share.

19 MR. MURRAY: Well, it may or may not be. I  
20 mean, I only do patent infringement cases, I've worked  
21 on many, many complex cases like this; I've never seen  
22 anything approaching that number of interrogatories.  
23 But maybe it's reasonable in this case. But my point  
24 is only that to approve them in advance without seeing  
25 them seems to me to be directly contrary to the local

1 rules.

2 THE COURT: But I think we misconstrue the  
3 whole process of discovery, because assuming the court  
4 authorizes them to file in excess of 25, you still  
5 have -- are able to come back to court and object to  
6 them based on its unreasonableness. See, that's why  
7 I asked you, is the objection based on numbers or the  
8 reasonableness of the request. So if I give them 50  
9 and you come back and say, hey, 30 of these are  
10 unreasonable, then we make a determination based on  
11 the meritorious contention of those requests being  
12 unreasonable, and to the extent that they're  
13 unreasonable, of course, the court will not authorize  
14 discovery.

15 MR. MURRAY: I think the local rule puts the  
16 burden on them to justify additional interrogatories,  
17 not on us to sort of -- you know, it shouldn't be an  
18 automatic thing.

19 THE COURT: Well, you know, I've seen a lot of  
20 civil cases where in just one cause of action, we've  
21 granted requests over 25. So, you know, it appears  
22 reasonable to me at this point that going beyond 25 in  
23 this particular type of case doesn't appear to be  
24 unreasonable, going over 25.

25 MR. MURRAY: I don't disagree with that at

1 all, Your Honor. I'm merely suggesting that to approve  
2 900 interrogatories in advance --

3 THE COURT: Well, see, but I'm not approving  
4 in the sense -- in that sense, I'm just saying, well,  
5 you know, for discovery purposes maybe going over 25  
6 might be reasonable, because you still have the  
7 opportunity to come back on the merits of each request  
8 and say they are unreasonable, not in numbers, but  
9 because of the nature of the request. And so you're  
10 protected in that regard, in the manner the rules say  
11 you should be protected.

12 MR. MURRAY: Right, but I think again, that --

13 THE COURT: I think here at this point we're  
14 scared because of numbers, and that really shouldn't be  
15 a reason for not allowing the request, because we're  
16 scared of the numbers, as opposed to the reasonableness  
17 of the request. I mean, it could be all 900 would be  
18 reasonable, all 900 could be unreasonable also at the  
19 same time.

20 MR. MURRAY: Okay. But I think the better  
21 procedure would be for them to come to us with their  
22 proposed interrogatories and for us to discuss them,  
23 and then if we have a problem, come to the court, not  
24 that they get sort of advanced approval for so many  
25 interrogatories.

1 THE COURT: Well, I could always say to them  
2 that ten days before you file, or five days, furnish  
3 you a copy so you can have an advance copy of what it  
4 is that they intend to file. Would that be  
5 unreasonable?

6 MR. MURRAY: Well, that, specifically that  
7 wouldn't be unreasonable. Again depending on --

8 THE COURT: I'm just trying to get some  
9 reasonableness in terms of the resolution of the motion  
10 before the court this morning really.

11 Mr. Benjamin?

12 MR. BENJAMIN: If you imagine 900  
13 interrogatories and the fact that what that's going to  
14 require answering, that's going to require, I mean, we  
15 already have five attorneys --

16 THE COURT: But you're all extremely  
17 intelligent.

18 MR. BENJAMIN: Nonetheless 900 interrogatories  
19 -- and by the way, there's also a request for  
20 admissions too -- that each of those is going to have  
21 to be broken down by attorney, objections set out, and  
22 so on; I mean, that's what happens once interrogatories  
23 are served on you, if the court has already given this  
24 a blank check. So our client would already be  
25 incurring quite substantial cost simply responding to



1 all the objections and going to court for relief if  
2 there's a blank check here, where it might then turn  
3 out that the court determines that half of those, 450  
4 of them were really excessive, and our client would  
5 still be out extremely substantial cost when you look  
6 at 450 highly technical interrogatories that we'd be  
7 coming up with objections and answers, and applying to  
8 the court for relief.

9           Again, if we start with the procedure that's  
10 supposed to exist under the local rule, which is that  
11 they would file -- submit these to the court first,  
12 that would provide the opportunity to keep the burden  
13 both on the court and the parties to the minimum, which  
14 is to have them draft the interrogatories that they  
15 specifically believe they need after they've looked at  
16 the evidence, they submit them in to the court, we have  
17 an opportunity at that point to explain why some or,  
18 you know, whatever number of them we believe are  
19 unreasonable; at that point, if the court determines  
20 that, you know, whatever number specifically, if it  
21 determines that 200 of them are reasonable requests,  
22 then we go back and we actually draft the actual  
23 answers, go through the specific objections on any  
24 subject questions. But we don't have this burden of  
25 simply responding to this blank check of

1 interrogatories, which is going to take a lot more than  
2 just five attorneys working on them when you've got 900  
3 interrogatories and that many requests for admissions  
4 potentially too.

5 And so, Your Honor, that's why we would again  
6 urge the court to go back to the local rule and really  
7 to take this request at the proper time which is not  
8 premature, when we actually know what interrogatories  
9 we're discussing and what interrogatories there's  
10 actually disagreement about.

11 THE COURT: Well, you know, when my wife goes  
12 shopping she also has a blanket check, so there's a  
13 precedence for blanket checks.

14 All right, so thank you very much. I'm  
15 certainly, of course, impressed with the arguments this  
16 morning. It's always a difficult decision to make  
17 after hearing extremely fine arguments on both sides.  
18 I can see plaintiffs' point of view and I can really  
19 see the defendants point of view, really, I see both of  
20 them, so it makes deciding harder.

21 And I believe that in light of the complexity  
22 of the case before the court, that there must be a need  
23 to grant discovery beyond the normal discovery provided  
24 by Rule 33.1. I'm disappointed with the plaintiffs in  
25 that they did not file the interrogatories as the rule

1 requires, but I think I know the reason why; they don't  
2 know what to ask at this point. So that explains why  
3 these interrogatories are not before the court.

4 Of course I'm a stickler for purposes of  
5 complying with the rules; rules must be complied with  
6 in order to get your request. But, nevertheless, I  
7 believe that the plaintiffs in this matter should  
8 receive some relief in the sense that they should not  
9 be limited to a total of 25 interrogatories for the  
10 nature of their claims before the court. And as the  
11 court has reviewed the complaint, I see a complaint  
12 with 50 causes of action, 18 in relation to patents,  
13 15 of them belonging to -- 15 U.S. patents belonging to  
14 the defendant, three to the plaintiffs, in addition do  
15 that, two causes of action for antitrust violations are  
16 made, violation of Sherman Antitrust Act and the  
17 Clayton Act. So it just doesn't seem reasonable to me,  
18 to the court that 25 requests can encompass all that  
19 could be sought in terms of the causes of action before  
20 it.

21 So my problem really is to determine what to  
22 allow at this point. 25 at this point might be too  
23 much maybe as to each claim, in light of the fact that  
24 we don't see it in front of us. I'm thinking that  
25 perhaps cutting it in half or giving you 15 might be a

1 stroke of just a draw perhaps on my part, and a number  
2 that might seem to satisfy the other side in terms of  
3 the numbers. And then at the same time, if I do grant  
4 this relief, I hope that the plaintiffs take into  
5 consideration perhaps doing their best to limit the  
6 number based on discovery that they will be receiving  
7 in the future.

8 So what I'd like to do today is grant that  
9 relief in part that the plaintiff is asking, and grant  
10 them 20 interrogatories for each of the defendant's  
11 patents that are at issue. And the same number for  
12 each of the plaintiff's patents that they've also  
13 raised herein initially. And I use these numbers  
14 generally because the requests would be fashioned  
15 appropriately once plaintiff receives documents through  
16 these initial infringement claims exchange, and also  
17 documents they'll be receiving in April, or may be  
18 receiving at the present time.

19 I'm initially setting this number not so much  
20 as a limitation on the case itself, but a limitation on  
21 the numbers that can be initially served. Of course,  
22 discovery to the extent that it is required by any  
23 party, the court can certainly look at it at another --  
24 or at a time in the future.

25 And also, what I would like plaintiffs to do

1 is, to the extent that they have drafted these  
2 interrogatories, 20 in number, that they serve a copy  
3 of these to the defendant. And they're going to  
4 preserve to the defendant all their rights, or course,  
5 to object to these interrogatories in the future, and  
6 the court doesn't believe that their rights to do so  
7 are jeopardized at this point.

8 So that would be the order of the court. The  
9 court will allow the plaintiffs initially to file 20  
10 interrogatories as to each claim, and as to the  
11 antitrust issue before the court. That's 20 times 18,  
12 that's 360, and another 20 as to the two counts, 20  
13 each, so 400. I think that's mathematically correct.

14 And with the proviso of furnishing the  
15 defendants an advance copy, let me ask you how many  
16 days can you do that before you file it with the court.

17 (Pause while plaintiffs' counsel conferred.)

18 MR. RAZZANO: Judge, I think we'll give them  
19 60 days in advance before they have to do anything,  
20 with the exception, of course, if we serve some  
21 jurisdictional interrogatories, we'll just serve them  
22 in due course and expect them to answer in due course.

23 THE COURT: Is that fine with the defendants,  
24 60 days? They'll give you a copy 60 days in advance to  
25 look at it.

1 MR. MURRAY: That's certainly better than 30  
2 days, Your Honor.

3 Can I also raise a point with Your Honor?  
4 Since we seem to be proceeding, doing a lot of this  
5 sorting out of issues through interrogatories, the  
6 defendants would ask for similar treatment.

7 THE COURT: Yes, certainly. You know,  
8 whatever they're getting, that's what you'll be  
9 getting.

10 MR. MURRAY: Thank you, Your Honor.

11 THE COURT: It has to be equal to the parties.  
12 I said that early in the beginning, whatever they get,  
13 you get likewise.

14 Any other clarification in terms of the  
15 court's order?

16 Well, thank you very much, counsel, for the  
17 fine arguments.

18 Let's proceed further now with the scheduling  
19 order, we still have to do that before, hopefully  
20 before noon. There's not that much there to talk about  
21 other than just some dates that need to be changed, so  
22 let me go to the proposed scheduling order as I have it  
23 in front of me.

24 The first date that appears that needs to be  
25 changed is on paragraph 5, and that's on Page 3 -- I'm

1     sorry, paragraph 4, motion to amend. Let's change that  
2     to the 4th because the 3rd actually is Labor Day, a  
3     federal holiday. All right. So that will be September  
4     4 instead of September 3rd. Do you see that?

5             MR. UNPINGCO: Yes, Your Honor.

6             MR. MURRAY: Yes, Your Honor.

7             THE COURT: All right. And of course the  
8     scheduling conference is today, March 2nd. And let's  
9     go to paragraph 10 and insert a time there. So the  
10    preliminary pretrial conference would be December 1,  
11    2008 at 10:00 o'clock in the morning, again just to  
12    insert a time. Same thing with paragraph 13, final  
13    pretrial conference will be December 22, 2008 at 10:00  
14    o'clock in the morning. And that would take us to the  
15    jury trial that's to take place in paragraph 14, that  
16    should be at 9:00 o'clock in the morning on the 14th --  
17    or rather than the 12th, I'm sorry, January 12th, 2009  
18    at 9:00 o'clock in the morning.

19            Now, the other issue concerns the discovery  
20    plan. The plaintiffs would like that initial  
21    disclosures be no later than 30 days after the entry  
22    of the scheduling order, and the defendants would like  
23    it 30 days after a ruling on the pending motion to  
24    dismiss or transfer. My question here is, have initial  
25    disclosures been made in the Northern District?

1 MR. MURRAY: They have, Your Honor.

2 THE COURT: Does that present a problem in  
3 this case with providing initial disclosures, inasmuch  
4 as it appears they have been provided in the other  
5 venue?

6 MR. MURRAY: Well, at the time the initial  
7 disclosures were prepared, the issues weren't exactly  
8 the same in both cases, so I don't know that that takes  
9 care of disclosures that would be required for this  
10 case.

11 MR. CHAN: Your Honor, for Nanya, our initial  
12 disclosures will be the same in both cases, will cover  
13 all of the patents at issue, both in the Guam court and  
14 the Northern District of California.

15 THE COURT: All right. The defendants would  
16 like theirs to be made no later than 30 days after the  
17 ruling of the motions. So you object to that?

18 MR. CHAN: Well, Your Honor, we're already  
19 serving our disclosures, we already have actually  
20 served our disclosures.

21 THE COURT: And I'm sure you've also received  
22 some on their part that relates to those issues that  
23 are the same in both courts; is that correct or am I --

24 MR. RAZZANO: At this time, we've served our  
25 initial disclosures in this case already.



1 THE COURT: To the other side?

2 MR. RAZZANO: We have received nothing from  
3 the other side.

4 THE COURT: But you've received something,  
5 though, that relates to the claims herein from the  
6 California case, right?

7 MR. MURRAY: Yes, they have.

8 MR. CHAN: I believe so.

9 THE COURT: At least to those claims, those  
10 seven claims --

11 MR. CHAN: Yes, I believe so.

12 THE COURT: -- I would think; you've gotten  
13 initial disclosures there?

14 MR. CHAN: I'd have to verify, but I believe  
15 so, Your Honor. Yes.

16 THE COURT: So as to the remaining claims,  
17 they're still asking that be done after the ruling on  
18 the motion to dismiss; is there strong objection there?

19 MR. CHAN: Well, Your Honor, I think it would  
20 just be more efficient to have those disclosures done  
21 right now, because they're going to have to make those  
22 disclosures anyway in the Northern District of  
23 California --

24 MR. MURRAY: Well, Your Honor, here we have  
25 not answered yet, we have not filed counterclaims yet,

1 so it's difficult to determine the proper scope of the  
2 initial disclosures for this case until the answer and  
3 the counterclaims are filed. So, I think they're  
4 essentially getting the same information anyway, in the  
5 context of the Northern District of California case, so  
6 I don't think they can really complain that they don't  
7 have the information.

8 But just procedurally in this case, it's  
9 difficult to make the formal disclosures because we  
10 don't know exactly what the counterclaims are going to  
11 be yet, or whether the parties are going to be in this  
12 case yet.

13 MR. RAZZANO: Judge, they can amend their  
14 disclosures at any time. I mean, the reason we have  
15 Rule 26(a)(i) disclosures is to get some of these  
16 discovery disputes out of the way. So, and if they  
17 admittedly are going to give us the information in  
18 California anyway, so what's the problem with giving us  
19 the information in this case.

20 Generally, the way we handle these in our  
21 court is within 30 days after the time the scheduling  
22 order is issued, and we would like for that same  
23 procedure to be in place in this case. There's no  
24 reason for any other procedure to be adopted. So we  
25 would strenuously -- if you're asking if we're

1 strenuously objecting to them not serving their initial  
2 disclosures and denying us the opportunity to see those  
3 documents, the answer is, yes, Judge.

4 MR. MURRAY: Well, again, they're getting the  
5 document.

6 THE COURT: They're getting the documents in  
7 the California context as it relates to the same claims  
8 in both cases. Do you have any strenuous objection if  
9 I ask you to do that in 60 days as to the other claims,  
10 60 days from today?

11 MR. MURRAY: No. Again, I'm not sure how that  
12 works with the counterclaims, with respect to --  
13 because I don't know whether we're going to have  
14 counterclaims or what they'll be exactly yet.

15 THE COURT: But counsel has said you can  
16 always amend these initial disclosures to take into  
17 consideration what has occurred at a later point in  
18 time.

19 MR. MURRAY: Okay. So anything relating to  
20 counterclaims that we might file then we would file  
21 after the counterclaims?

22 THE COURT: To the extent that they occurred  
23 at a later date from when you filed your initial  
24 disclosures, certainly you can amend.

25 MR. MURRAY: Okay.

1 THE COURT: Let me give you 60 days from today  
2 to file your initial disclosures.

3 MR. MURRAY: Thank you.

4 THE COURT: The only other matter is regarding  
5 experts. I don't see anything that provides when  
6 experts need to be disclosed. Do you want to keep it  
7 as it is, or -- do you want to keep it the way it is  
8 at the present time?

9 MR. UNPINGCO: Please, Your Honor.

10 And there is another matter that we would like  
11 to bring up, Your Honor, once this is done.

12 THE COURT: All right. Any objection to  
13 keeping it the way it is, the expert testimony?

14 MR. MURRAY: No objection, Your Honor.

15 THE COURT: We'll keep it that way then. So  
16 let me go ahead and sign the --

17 MR. UNPINGCO: Your Honor, if I may.

18 THE COURT: I'm sorry.

19 MR. UNPINGCO: There is one other thing I  
20 would like to bring up, and that is paragraphs 18 and  
21 19 of the scheduling order. We have indicated in  
22 paragraph 18 that the parties have been ordered to  
23 participate in mediation in connection with the related  
24 California case. Unfortunately, what happens in that  
25 case is that the mediation can settle the California

1 case, but we might still have the Guam case pending.  
2 And so we think in the interest of judicial economy, if  
3 that mediation in California can be applicable to both  
4 the California case and this case. In that way the  
5 parties will be greatly motivated towards a global  
6 settlement of the cases of the United States cases.

7 THE COURT: Any objection to that? Perhaps  
8 the mediation process, assuming the parties agree, will  
9 also maybe take care of the matter here.

10 MR. MURRAY: Certainly the mediation process,  
11 hopefully, will discuss global settlement issues. I'm  
12 not sure exactly what plaintiffs are proposing in terms  
13 of --

14 MR. UNPINGCO: What we're proposing, Your  
15 Honor, if I may?

16 THE COURT: Mr. Unpingco.

17 MR. UNPINGCO: What we're proposing is that  
18 the mediation -- the court has already, in California,  
19 has already ordered that a mediation occur. A mediator  
20 has already been appointed, I think it was former Judge  
21 Enfante, has been appointed. And we would just like --  
22 if necessary we'll file a motion to ask the court that  
23 the court -- that that mediation is also applicable to  
24 this case as well as the California case. So that if  
25 they reach a global settlement in that mediation,

1 assuming the best, then both cases are settled, instead  
2 of trying to do it piecemeal, or there might be a  
3 lingering issue --

4 THE COURT: But wouldn't a settlement there,  
5 though, in effect affect the case here?

6 MR. UNPINGCO: It will affect it to a great  
7 extent. However, what we're concerned about is that  
8 there may be some other issues in this case that are  
9 still lingering, so we might as well have that  
10 mediation applicable for both cases.

11 THE COURT: Well, is there a question of  
12 jurisdiction or no?

13 MR. UNPINGCO: Well, I don't think there's a  
14 question on jurisdiction. I think if we can ask the  
15 court --

16 THE COURT: Have an order that appoints the  
17 same, is that what you're seeking, an order that  
18 appoints the same --

19 MR. UNPINGCO: Yes, Your Honor, if we need to  
20 make --

21 THE COURT: -- mediator?

22 MR. UNPINGCO: Yes, sir. Yes, Your Honor, if  
23 we need to make a motion to the court, if that same  
24 mediation will be applicable to this case as well.

25 THE COURT: And compensation is agreed to by

1 the parties?

2 MR. UNPINGCO: The same parties are going to  
3 be bearing the same burden of compensation.

4 THE COURT: Well, is the mediator going to  
5 agree to such an order coming from here?

6 MR. UNPINGCO: Well, I think that if the  
7 court, if we make a motion to the court and the court  
8 grants it, then the mediator -- I don't see any reason  
9 why he won't be amenable to that mediation counting for  
10 both cases.

11 THE COURT: All right, let me hear from  
12 counsel.

13 MR. MURRAY: We have no objection to that  
14 mediation counting in terms of any requirements for  
15 mediation in Guam; but I'm not really sure why it's  
16 necessary for Your Honor to order that mediator in  
17 California to take into account the Guam case. I think  
18 with the answer that they've filed, the issues are the  
19 same, all the patents are the same in both cases, I  
20 don't see how it's possible to settle the California  
21 case and not settle the Guam case.

22 MR. UNPINGCO: Your Honor, if I may. The  
23 problem here that I'm having is that my counsel,  
24 opposing counsel has said he doesn't know yet what  
25 their counterclaims are going to be. He hasn't filed

1 an answer in this case, and so my problem is that I  
2 don't know what his counterclaims are going to be. So  
3 if we make this mediation applicable to both cases, it  
4 will dispose of the case entirely in both areas. I can  
5 foresee a situation where, for instance, he may come in  
6 and file his counterclaims, because he may have had  
7 buyer's regrets or seller's regrets about what the  
8 mediation result was and file a counterclaim here, and  
9 then we're back in litigation again. So I'd just like  
10 to have one dispositive, if at all possible, one  
11 dispositive mediation. Both parties are already going  
12 to bear the cost, why not just make the mediation  
13 applicable to both cases?

14 THE COURT: Is this mandatory mediation in  
15 California?

16 MR. UNPINGCO: Yes, Your Honor.

17 THE COURT: It's mandatory?

18 MR. UNPINGCO: Yes, it's court ordered.

19 MR. MURRAY: Your Honor, I'm having trouble  
20 understanding the logic here. It's not an arbitration  
21 where we'd be bound by anything, it's just an  
22 mediation. So if we don't agree to settle the Guam  
23 case as part of that mediation, then we don't agree to  
24 settle it. And the fact that this court has ordered  
25 that mediator to take into account the Guam case, I



1 don't see how it has any impact on that. So, you know,  
2 what the parties make out of the mediation, and I hope  
3 that we both make the most out of it, is up to the  
4 parties. And really, it's not like there's going to be  
5 a judgment or something that would apply to Guam. So,  
6 I'm having trouble following the argument.

7 MR. UNPINGCO: The logic is clear, Your Honor,  
8 in the sense that we don't want -- we want just one  
9 mediation to occur. And usually in a mediation both  
10 sides do have to agree, but sometimes there's seller's  
11 remorse or buyer's remorse after the agreements are  
12 reached. And in this case there's still an opening for  
13 that remorse to be realized, in this case by the  
14 opposing side, because they can still file a  
15 counterclaim in this case.

16 MR. MURRAY: Well --

17 THE COURT: Wouldn't it be possible, though,  
18 for let's say the plaintiff to agree to dismiss the  
19 California case but not agree to dismiss the Guam case?

20 MR. UNPINGCO: It is possible. And what we'd  
21 like to do is rather than piecemeal have another mediation  
22 for the Guam case, let's just do it all at one time.

23 THE COURT: But the issues, though, that might  
24 lead to a settlement in the Northern District might not  
25 be the same issues that might lead to a settlement

1 here.

2 MR. UNPINGCO: There is a possibility, but if  
3 we're looking at a global settlement, what we're after,  
4 what's at stake here is how the licensing, how the  
5 market is going to be approached, and decided. And so,  
6 the global settlement is what we're trying to encourage  
7 here as opposed to --

8 THE COURT: But still, it leaves it to the  
9 parties, though, to agree to settlement, so it just  
10 seems logical that if the parties want to settle  
11 globally in the Northern District, that would apply  
12 here.

13 MR. UNPINGCO: Not necessarily, Your Honor,  
14 because as I said before, we do not know if after  
15 having carefully considered the results of the  
16 mediation or the negotiations or the agreement that  
17 they reached, they do not then find that they might  
18 have traded away something far more valuable than they  
19 had anticipated, and then they'll try to find a way to  
20 recoup whatever they have lost through a counterclaim  
21 here in this court in this case.

22 MR. MURRAY: Your Honor --

23 THE COURT: But wouldn't those considerations  
24 something that you would take into account also in  
25 settling the case in the Northern District, those

1 possibilities here?

2 MR. UNPINGCO: Yes, Your Honor. But normally  
3 -- well, the problem that we have here is that the  
4 California mediator is going to be focused on settling  
5 the California case. Okay. And what we're afraid of  
6 is that there may well be other issues that may be  
7 resurrected after that case is settled for here. And  
8 why can't we just get everything concluded at one point  
9 in time.

10 MR. MURRAY: Your Honor, I think the  
11 appropriate way to deal with this is through the  
12 settlement process and the mediation. If the parties  
13 come to some agreement, then there would be settlement  
14 documents drawn up, those documents would of course  
15 address all the cases that would be settled and there  
16 would be an agreement to dismiss this case, you know,  
17 et cetera, and that would just be dealt with in the  
18 normal course of that mediation. I don't see how it's  
19 logical that we could go through that mediation  
20 process, have a global settlement, and then come back  
21 here and file some, some new counterclaim; that would  
22 be taken into account in the settlement papers that  
23 would come out of the mediation. So, again, I don't  
24 think it's necessary for this court to order the  
25 California mediator to do anything. I think these

1 issues can be dealt with by the parties in the context  
2 of the mediation. Again, we have no problem with that  
3 mediation sort of counting towards the mediation  
4 requirements for Guam, but I don't know that it's  
5 necessary or appropriate for this court to order the  
6 mediator to take any specific action.

7 MR. UNPINGCO: Two points, Your Honor. First,  
8 we would like to give the mediator as broad -- a broad  
9 applicability of his mediation as possible to address  
10 both cases. The second thing is that if they have  
11 no -- if their intention that they're saying now before  
12 Your Honor is they have no intention of coming here  
13 once they have settled in California, then it should  
14 not be a problem for the court, for Your Honor, this  
15 honorable court to say, well, that mediation will have  
16 applicability to both cases. And I don't see why  
17 they're objecting so strenuously to this proposal. I  
18 think it is a very efficient and logical proposal,  
19 because it disposes -- the global settlement then truly  
20 becomes global, there are no reservations to be made in  
21 the settlement agreement, or words that can be  
22 misinterpreted as not settling an aspect of the case  
23 globally.

24 THE COURT: All right. Let me deny that  
25 oral motion at the moment without prejudice to the

1 plaintiffs of renewing that motion, maybe after  
2 ascertaining from the mediator whether this is an item  
3 which that mediator wants to undertake. Assuming the  
4 mediator wants to take an additional responsibility,  
5 then I think a more appropriate written motion might be  
6 then desired for the court to take any action in light  
7 of plaintiff's objection -- or defendant's objections  
8 this morning.

9 MR. UNPINGCO: So, Your Honor, if I'm clear,  
10 you're giving us permission then to approach the  
11 mediator about the possibility of his being a mediator  
12 for both --

13 THE COURT: Well, I don't have to tell you  
14 that, I think you have the right to approach the  
15 mediator and ask him whether he thinks having the Guam  
16 matter be part of the mediation that he's undertaking  
17 in the Northern District be part of his duties that he  
18 might want to undertake.

19 MR. UNPINGCO: And if he doesn't want to  
20 undertake that responsibility or if he says, I need  
21 something from the court of Guam to undertake that, to  
22 give me that kind of authority, I would like to ask --

23 THE COURT: Well, maybe he should also contact  
24 the defendants and get the defendants --

25 MR. UNPINGCO: The way I'm going to approach

1 this, Your Honor, is that it will be a joint telephone  
2 call, I don't think it's appropriate for one side to  
3 contact the mediator, I think both Mr. Murray and I  
4 could contact the --

5 THE COURT: You could certainly do that, just  
6 say that initially your oral motion was denied, for one  
7 thing there's objection by the defendants. Secondly,  
8 I really don't know whether the mediator wants to  
9 undertake this additional responsibility.

10 MR. UNPINGCO: It is a private, private  
11 mediation.

12 THE COURT: But I'm just saying that I don't  
13 know whether he wants to undertake that responsibility.  
14 To the extent that he does, and to the extent that it  
15 might aid settlement here, it's something that the  
16 court can look at, and can be decided in a formal  
17 motion, with the defendants being given the opportunity  
18 to object to the motion.

19 MR. UNPINGCO: We shall follow your  
20 instruction, Your Honor, and I'll make arrangements  
21 with opposing counsel that we can both have -- talk to  
22 the mediator at the same time.

23 THE COURT: Because I don't think defendants  
24 are objectionable to having the mediator undertake  
25 something to have a global settlement, I think they're

1 in agreement with such an idea.

2 MR. MURRAY: No, we're certainly not, and I  
3 don't think that we need to burden this court with this  
4 issue. I think that we can certainly just talk to the  
5 mediator and hopefully there will be a global  
6 settlement coming out of the mediation, and these  
7 issues will be dealt within the settlement papers.

8 THE COURT: Well, to the extent that the  
9 mediator would like a formal appointment here and  
10 there's no objection from you, then that's something  
11 we can aid in the process of settlement if you'd like  
12 it, really. That's all I'm saying.

13 MR. MURRAY: If the mediator says that he  
14 needs some kind of a formal appointment before he can  
15 discuss the Guam case, I would be surprised by that,  
16 but if that's what happens, then --

17 THE COURT: That's what I'm saying, if he says  
18 he would rather go that route, then we're available to  
19 assist in that regard.

20 MR. UNPINGCO: Thank you, Your Honor, I think  
21 that's a reasonable conclusion to that. Also, we can  
22 work out the details as to the local patent rules with  
23 the opposing counsel. I believe that we can meet and  
24 confer, because some -- the Northern District of  
25 California local patent rules are good, but I think

1     there might be some changes in certain aspects of it  
2     that we would like to have an opportunity to confer  
3     with, and that would of course go towards No. 19  
4     suggestions for shortening trial and make this go in a  
5     more organized and speedier fashion.

6             THE COURT: All right, thank you very much,  
7     Mr. Unpingco.

8             Well, thank you very much, Mr. Shore, and  
9     Mr. Murray, for coming all the way out here really.  
10    And like I said, excellent presentations make it even  
11    harder for us, but we just have to go one way or the  
12    other in these issues. So thank you very much for your  
13    presentations, Mr. Benjamin and everybody else.

14            ALL COUNSEL: Thank you, Your Honor.

15            (Proceedings concluded at 12:00 noon.)

16                           \* \* \*

17  
18  
19  
20  
21  
22  
23  
24  
25



CERTIFICATE OF REPORTER

CITY OF AGANA )  
 ) ss.  
TERRITORY OF GUAM )

I, Wanda M. Miles, Official Court Reporter  
of the District Court of Guam, do hereby certify the  
foregoing pages 1-91, inclusive, to be a true and  
correct transcript of the shorthand notes taken by me  
of the within-entitled proceedings, at the date and  
time therein set forth.

Dated this 12th day of March, 2007.

Wanda M. Miles

Wanda M. Miles  
Official Court Reporter  
District Court of Guam